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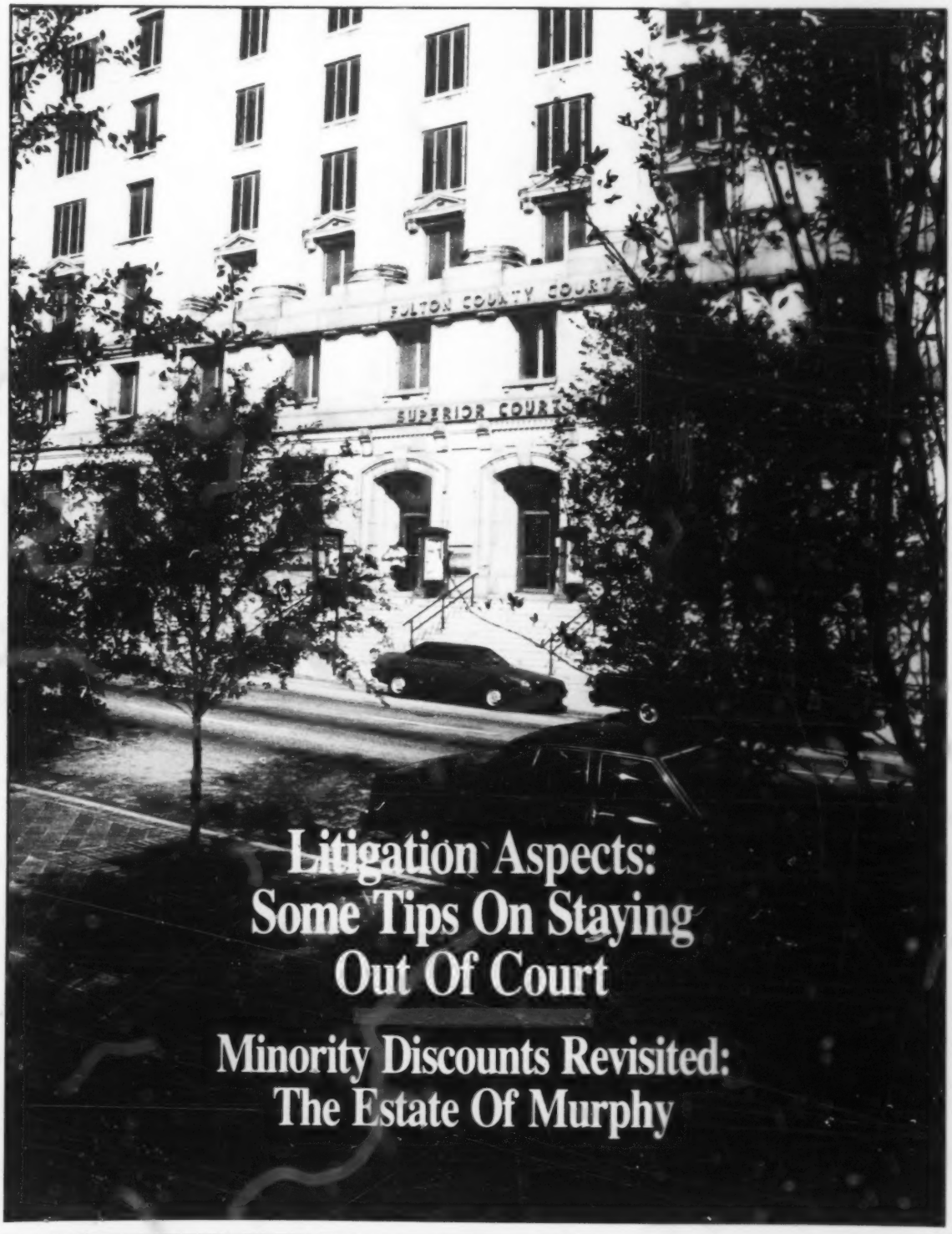

Litigation Aspects: Some Tips On Staying Out Of Court

Minority Discounts Revisited: The Estate Of Murphy

TRUSTS & ESTATES.

Volume 129, No. 12 Estate Planning and Administration Since 1904 DECEMBER 1990

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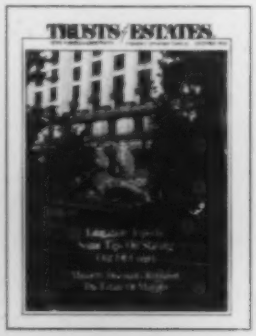

COVER

Litigation and a visit to the courthouse can be avoided, but trustees must keep abreast of the latest developments. Photo by William H. Durant, Fulton County Department of Information and Public Affairs, Atlanta, GA.

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Commentary

Sidestepping Litigation Through Education

Litigation — certainly one of the most feared words among fiduciaries. Just the mention of it can make even the most steadfast practitioners tremble and quake with visions of vast piles of paperwork corralled to justify a prudent investment strategy and proper execution of Wills and estate plans, endless hours before a probate judge or the IRS, and an office full of annoyed clients. Whether you are a defendant or a plaintiff, litigation can result in loss of time, money and prestige.

Can it all be avoided? Given the complexity of today's estate planning rules and regulations and the litigious bent of modern society, the answer is probably not. But, with the proper information and education, it can be curtailed.

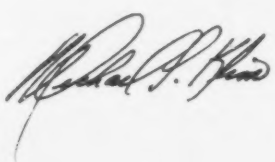
This month, with the help of Scott McCue of Mayer, Brown & Platt in Chicago, we examine some of the tripwires that can cause a fiduciary to stumble and end up in court.

What exactly is the current thinking on the "prudent investor" rule and what are a fiduciary's duties and liabilities? This month, Mr. McCue interviews Professor Edward Halbach, Jr. Professor Halbach of the University of California Law School at Berkeley was the reporter for the American Law Institute project on the prudent investor rule and the Restatement of Trusts. He discusses how the concept of the prudent investor has changed and what new opportunities and malpractice problems exist.

Further on the discussion of malpractice, Martin D. Begleiter, professor of law at Drake University, discusses how two major barriers to malpractice liability for attorney errors in estate planning, privity and the statute of limitations, have been removed. According to Begleiter, malpractice actions by beneficiaries can now proceed to trial unencumbered by these safety walls and estate planning documents and practices will be closely scrutinized by both the beneficiaries and the courts.

Should a matter end up in court for resolution, payment of an award can end up in either a trust or a structured settlement. In his article, Dan Luther of Mayer, Brown & Platt discusses the advantages and disadvantages of both.

Finally, in Litigation Notes, Scott McCue discusses the confusing circumstances in the *Newhouse* case and how the government lost the "battle of the experts." □



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BPA

Targeting The Affluent Family Business

The extent to which the vendor can explain how a trust account can assist the affluent family business owner, the more likely he will create a trust

By **RUSS ALAN PRINCE**
CSSP Technologies
Brooklyn, N.Y.

The financial services environment is dramatically and drastically changing. The days of "fast" money are, for the most part, over. This is forcing financial institutions and other competitors to concentrate their efforts on business lines which are profitable in this adverse environment. Trusts and estates is one line of business that is exceptionally and consistently lucrative. No matter what condition the economy is in, the business of trusts and estates has always been comparatively prosperous, and will continue to be so.

The viability of this line of business has certainly not gone unnoticed by a plethora of traditional as well as new competitors. The banks have been key players in the field since the beginning of modern trusts. They have a long-standing reputation as trust professionals. So, too, have the attorneys. At the present time, there is considerable debate concerning the bounds of the attorneys' powers with regard to the trust component of the business. Some law firms are expanding into money management. More than ever before, they are positioning themselves to compete in all aspects of the trust and estate planning business.

Money managers characterized by Sanford C. Bernstein & Co., Inc. have also carved out a niche for themselves in the field of trusts and estates. For them, it is a logical extension of their money management enterprise. Additionally, the accountants are now becoming more involved in the business. It is highly likely that they will go the same route as the attorneys and compete in all aspects of the business, including managing the assets.

Finally, the financial institutions who previously have not emphasized the trusts and estates business are seeking the profits that can be garnered by providing these services to the well-to-do. For example, financial institutions such as the Prudential Insurance Company and the Merrill-Lynch brokerage firm have committed themselves to the business.

As the competition intensifies, it is essential to remember that everyone is marketing a commodity product. Discounting investment performance, the trust product offered by one vendor is not significantly different from the trust product offered by another vendor. In order to reap the comparatively exceptional continuing profits of the trust

About This Study

CSSP Technologies in conjunction with Lafferty Publications has consolidated a number of extensive proprietary research studies which focus on affluent privately held companies located throughout the world. The findings of these studies provide a comprehensive understanding of this market. This includes their preferences and attitudes with regard to numerous professional and financial services and products. It also includes their buying behavior patterns as well as the strategies most effective in selling to this highly lucrative market.

The empirical investigation used in this article involves 508 affluent family businesses within the United States. The sample was acquired by arrangement with 14 institutions catering to the affluent. In return for assisting in arranging for participants, the institutions were provided with composite summary data concerning their clients.

By definition, an affluent family business is one where the owner has a discretionary investment advisory account of $1 million or more. In effect, these are the very wealthy representing the top 1 percent of the affluent. They are the most profitable market for vendors of trust services.

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business, a vendor must effectively differentiate itself from the competition.

In order for a vendor to position itself in a distinctive way, it must have a clear and comprehensive understanding of its target market. As a function of such a thorough assessment, a vendor can identify motivational "hooks" which will enable it to stand above the competition. The vendor will also understand how to optimally promote the trust product and estate planning services.

There are three types of wealth which can be targeted by trust vendors: 1) inherited wealth, 2) salaried wealth, and 3) equity wealth. Inherited wealth, by its very nature, is not an attractive target for a vendor marketing trusts and estates. These affluent individuals usually have long-standing relationships with trust institutions. Therefore, it is highly unlikely that they will switch vendors. Only under the most arduous conditions are they really likely to move to a different provider of the trust product.

Salaried wealth tends to encompass the lower end of the affluent spectrum. While people in this category may very well have six figure incomes, they are not very likely to accumulate personal fortunes. Their income is used to maintain their less than deprived lifestyle. Over time, they do manage to accumulate a certain amount of wealth. Nevertheless, it does not compare to the personal fortunes in the possession of the other two types of wealth. Of course, there are some salaried employees who make the really *big* money. However, they are few and far between.

Without doubt, salaried wealth is a large untapped market for trust services and estate planning. They represent a distinctive market segment, and therefore require a unique marketing strategy. Preliminary research shows that components of a mass marketing strategy coupled with the more traditional one-to-one selling of the product is required. Meanwhile, the marketing message must focus on their unique needs, desires, and buying behaviors.

The largest, most prosperous, and, in many respects, easiest to tap are the equity wealthy. They comprise the owners or considerable stockholders of companies which range in size from those that employ a mere handful to those that employ thousands. Their personal wealth is a function of the money they draw out of the business in addition to the value of their percentage of the business.

The reason this segment is considered relatively easy to tap is due to their empirically derived psychographic patterns of purchasing financial services. They exercise significant decision making patterns which can be utilized by a vendor to precisely target and "hook" them. One such variable is the family business connection.

Affluent Family Business

By definition, the vast majority of these firms are family owned and managed. Affluent family firms have distinct competitive advantages over other companies. Loyalty to the family and the business furnishes these firms with a leg up over competitors. The commitment the family members feel toward the business provides the motivation to accept the many personal hardships that are the result of running a company.

The family members tend to approach the business as a unified group. While conflicts may rage within the firm, they usually recognize that if they cannot produce some sort of resolution, the business will suffer. As their livelihood, social status, and the like are dependent on the continuing prosperity of the firm, they will usually make the requisite effort to ensure their survival.

Along similar lines, family pride and a belief in the business enable these firms to outperform public companies in the same industries. They do this by the effort they exert and their concern with doing the best job possible. It is not only their "name" that is on the line, it concerns the money that may or may not go into their pockets.

In the United States, the growth in the number of family firms can be traced to the conclusion of World War II. The returning soldiers went into the family companies or started small businesses of their own. These people are now reaching the time in their lives where retirement has become a viable option. At the same time, the interest in entrepreneurship that has pervaded the 1980's has resulted in an increased interest in family businesses by younger people such as college students.

It is also important to recognize that family businesses are not perceived as being any more risky than working for a large corporation considering the restructuring that is prevalent among these firms. In fact, in a recent study of 547 college students whose parents own family businesses, it was shown that the students are more interested in joining the family business than going to work for large corporations. Actually, family firms are seen by the students as being

less risky endeavors that large corporations.

The students identify the results they obtain from their efforts within the family business as being directly correlated with their actions. So, the more they put into the family firm, the more they anticipate receiving. While this is true of anyone working in a small or midsized firm and even some large companies, the advantage to the family business for family members is an existing and probable equity stake. They expect profit as owners of the business by birthright. Clearly, the trend is for family businesses to become more common over the forthcoming decade.

Another factor contributing to the attraction of family business is the growing difficulty of forming a new business. New ventures will continue to become more difficult for two reasons. One is the lack of available capital. There is just less money for start-ups. Capital for all types of companies has become quite scarce as well as expensive. The other related reason is the high cost of doing business. Once again, the monies required to keep a new company operating while it establishes itself is not readily available. Therefore, potential entrepreneurs who have the option to enter a thriving family firm are more likely to enter the business then strike out on their own.

Family businesses are also appropriately recognized as one of the very best mechanisms for creating and consolidating personal wealth. That is, family businesses are more likely than any other means to produce personal fortunes. This belief is clearly held by the vast number of offspring who have opted to join lucrative family firms. The children who might at one time have been rebellious and opposed to the business wake up and realize that the family business is where the money is. They recognize the causal relationship between the business and wealth, and the ability to manage their own lives. The family firms, in general, are not able to produce significant unearned income necessitating involvement in order to benefit.

While family firms represent one of the greatest systematically untapped markets for trust services, there are problems which must be surmounted in order to earn above average profits.

What becomes evident is that, at the high end, family firms represent a market segment which controls the overwhelming amount of personal wealth. They decidedly represent the significantly largest portion of the wealthy in the United States. The first question that must be resolved is, unlike inherited wealth, is there an opportunity for vendors of trusts and estates to tap this lucrative market segment?

Out of the sample of 508 affluent family businesses, only 202 (40 percent) had created personal trusts. The research confirms that these affluent family businesses may yet establish more trust accounts, but will, most likely, continue to use their current vendor of the product. The only exception are charitable trusts because empirical research on this topic shows their nature is significantly different from other types of trusts. They were created for different reasons than the other versions of the product. Thus, marketing them requires a different strategy.

Although a percentage of family businesses already use the personal trust product, a vendor has an opportunity to market the product to the remaining 60

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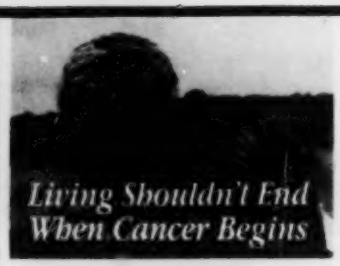

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percent. On the whole, they are unequivocally exceedingly good prospects. They certainly have the financial resources to make it extremely profitable for the vendor. However, there are three persistant problems in marketing personal trust accounts. They are: 1) the vendor's continuous difficulty in explaining the product in an appropriate manner, 2) the limited context in which the trust product is discussed, and 3) the financial product's elitist image.

The inability of vendors to easily explain the personal trust product. While the owners of affluent family businesses are quite astute with regard to managing their company, they may not be particularly knowing when it comes to financial services. This situation is complicated by the fact that vendors usually confuse potential affluent family business clients with the intricacies of trust accounts before they have truly sold the affluent family owner on the benefits of the product. They all too often focus on the nuances of the trust product, while failing to explain how it can be employed to meet their needs.

A related problem is the difficulty affluent family business owners have in evaluating and comparing the personal trust product. For the most part, the mass market rarely uses or comes in contact with trust accounts. This results in a general inability to establish standards for the product.

At the same time, investment performance is notoriously difficult to compare. Only in those cases where the assets are pooled is it possible to accurately evaluate investment performance. However, with the degree of wealth involved in these family businesses, pooled investment funds are not a viable option and are therefore not considered by the owners of these businesses. With regard to individual trust accounts, the often idiosyncratic investment objectives of the personal trust product tend to prohibit fair comparisons.

Marketing trust accounts are often viewed in a limited context. The discussion of trusts usually revolve around unpleasant subjects. Discussions of death and incapacity are dreadfully distasteful to affluent family business owners. In contrast, the personal trust product may be quite appropriate for healthy people. The fact that trust accounts are infrequently promoted in this context is certainly a missed marketing opportunity.

The personal trust product has a lofty image which often runs counter to the attitudes and perceptions the affluent family business owner has about himself. The personal trust product is seen as an icon of an aristocratic, elitist, insensitive world. They see it as certainly appropriate for the "equestrian class," which they conclude does not include them. As such, it scares away many potential clients.

For these clients, trust accounts are the exclusive preserve of the upper crust. Now, while affluent family business owners do indeed possess the financial where-with-all, they tend to see themselves as middle to upper-middle class. Therefore, it behooves the vendor to persuade affluent family business owners that a trust account is simply another financial product which can assist them in achieving their business and personal objectives.

In conclusion, the vendor must promote the personal trust product to affluent family business in a way which overcomes these problems. In effect, it is necessary to recognize the motives affluent family businesses have for creating trusts and subsequently utilize this understanding to garner new clients.

Motives

Trust accounts are decidedly not set up haphazardly or by whim. Among those that have purchased the personal trust product there are consistent motives for doing so (Exhibit 1). The reasons for affluent family business owners to establish trust accounts very accurately reflect the psychological perspectives characteristic of this market segment. It therefore provides guidelines for actively soliciting new business.

By and large, the most important reason to create a trust is to provide financial protection for the family. While their actions may signal a preference for the business over everything else, they are deeply committed to their families. Their drive to make the business successful is psychologically predicated on their concern to provide for those they hold dear.

Affluent family business owners are very involved with managing their self-determined responsibilities. They have identified what is important to them, and seek to insure that these obligations are properly attended to. The well-being of their family is unquestionably their highest priority.

One noteworthy concern involves the matter of succession and related steps to ensure the family business continues to prosper and remain in the hands of the

family. Affluent family business owners want to pass the business along to other family members — usually a son, although daughters are becoming accepted heirs to lead the firms. In fact, 96 percent (488 affluent family owners) expect the business to stay within the family. By keeping the business within the family, the owner/founder achieves a kind of personal immortality. The continuity of the family business reinforces the importance of both the individual and the family. It creates the image of a dynasty which one day might actually become a dynasty.

This desire to ensure the continuation of the family business is one of the most potent "hooks" a vendor can exploit in marketing the personal trust product and estate planning services. In fact, the objective is not to promote these services as they are, but to integrate them within a more comprehensive marketing program oriented to educating affluent family business owners to the components of succession planning. Concurrently, the use of trusts would be highlighted.

A related concern entails providing for those family members who are important to the business owner and are not involved with the business. In this scenario, there is, once again, an excellent opportunity to market trust products. However, there would be a more explicit promoting of the service. In this scenario, the orientation would be to directly speak to the need to financially prepare. When dealing with the matter of succession, the orientation is geared to maintaining ownership of the business within the family. The use of trust accounts is a by-product of this process.

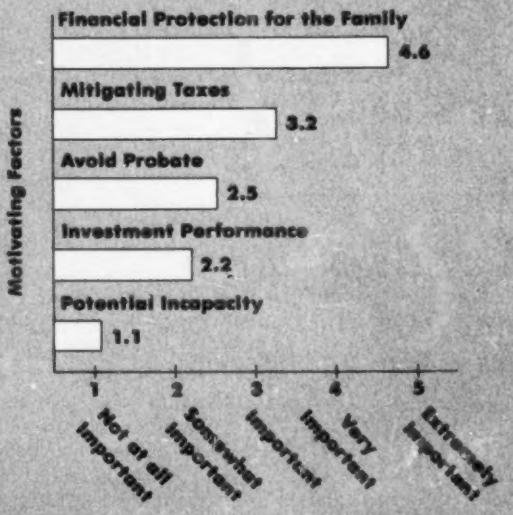
The most often stated objective of establishing trust accounts is to keep the family intact. Most of the affluent family business owners are familiar with horror stories about the fighting among family members when estate planning and trust accounts are not used. All too often, the family draws battle lines and wages war. It is all too common for these confrontations to result in the dissolution of the business as well as the family.

The creation of trust accounts is intended to avoid these outright wars that are prone to otherwise develop among family members. As far as the fairness of the division of assets is concerned — as one affluent family business owner put it, "I rather they hate me then each other."

To recapitulate, a vendor can efficiently and effectively tap the affluent family business segment by orienting his marketing efforts to their desire to perpetuate the family business and financially protect those family members who are considered important yet are not involved with the company. To accom-

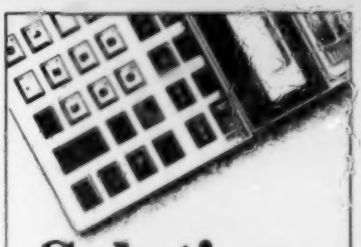
EXHIBIT I

Motivating Factors for Using the Personal Trust Product



N = 508 Affluent Family Businesses

Source: CSSP Technologies/Lafferty Publications



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plish this task most effectively requires qualifying prospects.

Empirical analyses have identified a factor which is eminently useful when determining the most viable prospects as well as providing a framework for greatly improving the viability of other prospects. This factor exists as a function of the desire on behalf of the family members to ensure the integrity of the family business. As such, it directly relates to the desire of the owner to pass the reins of the business to another family member.

The decision to establish trust accounts is largely based on the degree of family involvement. As noted, there is a pervasive tendency for the children of the founder to become active within the business. They recognize that the business is not a cornucopia. Thus, for the inheriting generation to reap the financial awards of the business, they must become involved. At the same time, those highly involved children are very concerned with the eventual succession process. They have a vested interest in guaranteeing that the succession process runs smoothly.

Part of the motivation of the inheriting generation for promoting the product to the founder/owner is a recognition of the potential benefits.

The research shows that the greater the degree of family involvement, the more likely the personal trust product will be utilized. Out of the 508 affluent family businesses in the sample, there were 434 (85 percent) whose children were extremely involved. All 202 affluent families using the personal trust product had children who were involved to this degree. These members of the inheriting generation recognize the use of personal trusts as a mechanism helping to guarantee the orderly transition of control within the family business. The remaining 74 family businesses had moderately involved children and none of them used the personal trust product.

While the degree of involvement can be assessed in a number of different ways, it is often advantageous to evaluate this factor using multiple measures. This adds to the credibility of the findings. Along the same lines, it is worthwhile to examine this factor periodically. At different times in the lifecycle of the affluent family business, the inheriting generation will be differentially involved.

Based on extensive interviews, it became apparent that the highly involved children were instrumental in convincing the affluent family business owner to set up trust accounts. This is not to say that the affluent family business owners were not involved in all aspects of the decision to create a personal trust, it is just that the younger generation energetically endorsed the idea which has statistically been demonstrated to be instrumental in purchasing the product.

Part of the motivation of the inheriting generation for promoting the product to the founder/owner is a recognition of the potential benefits. In general, the members of the inheriting generation are more likely to be financially sophisticated. Those who are expecting to one day own and manage the family business typically bring to it both a higher need to operate the business financially and a greater expertise and willingness to incorporate appropriate financial systems. The financial end of the business is a part of the family business which the owner/founder tends to avoid. Thus, he is quite willing, if not eager, to hand over these responsibilities to a trusted family member. As it is not an area of the affluent family business owner's distinctive competence, it is an area where the younger generation can excel without comparison. Thus, they tend to gravitate to this area. This situation can be employed advantageously by the vendor.

Those extremely involved children whose parents did not set up trust accounts were not knowledgeable about estate planning and how the personal trust product can be used. They tended not to be as financially sophisticated as those children from affluent family business which did establish trusts.

A vendor wishing to effectively market the personal trust product to affluent family businesses should begin by identifying which quadrant the affluent family business falls into in the Per-

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sonal Trust Opportunity Matrix (Exhibit 2).

The greatest success with the comparatively least amount of effort can be found in Quadrant II. These are affluent family businesses where there are extremely involved children who are very knowledgeable about the personal trust product. These affluent family businesses are prime candidates because they are most likely to benefit from the product because they readily realize its benefits. They would be the biggest advocates of the personal trust product making its sale that much easier. The only drawback is that these are the affluent family businesses most likely to already be using the product. They are the ones most likely to have sort out a vendor for the product.

Discounting those family businesses which can be categorized in Quadrant II, the best candidates for the personal trust product, therefore, come from Quadrant IV. These affluent family businesses are not nearly as likely to have already established trust accounts. They also have an inheriting generation that is extremely involved in the business. Therefore, once the vendor properly explains the advantages of the product, they will, in turn, be advocates of the service.

Whereas, these inevitable hiers are more financially sophisticated than the owners are, their familiarity with trust is limited. By educating them to the many advantages of the personal trust product, the vendor is, in effect, moving them from Quadrant IV to Quadrant II. At this point, they would be highly attractive potential clients for the personal trust product. And, they can be convinced with relative ease on the merits of creating trust accounts with the institution which educated them to the value of creating personal trusts to help ensure the orderly transition of ownership of the family business.

It would be comparatively harder to sell the personal trust product to the affluent family business in the remaining two quadrants. The children's moderate involvement in the business results in considerably less support for the product from family members. While the affluent family businesses which can be categorized in Quadrant I are better prospects than those from Quadrant III, they are still more difficult to sell to than the other two quadrants. When targeting these prospective clients, the emphasis would be more on the family and its welfare than the business.

Without question, the personal trust

Whereas, these inevitable heirs are more financially sophisticated than the owners are, their familiarity with trust is limited.

product can be marketed to affluent family business owners by focusing on the benefits it would provide for the family and simultaneously the business. More to the point, the use of trust accounts in the context of the business makes them exceptionally marketable when issues of succession are under consideration.

By focusing on the self-determined responsibilities of the affluent family business owners, the vendor is able to market estate planning services and the personal trust product as a "package" which will be instrumental in ensuring that the family business is passed along and ensuring that particular family members who are not involved in the business are suitably taken care of. The principle "hook" in these situations is the succession process and the Personal Trust Opportunity Matrix provides a useful paradigm for qualifying prospects so that the resources of the vendor are most effectively used.

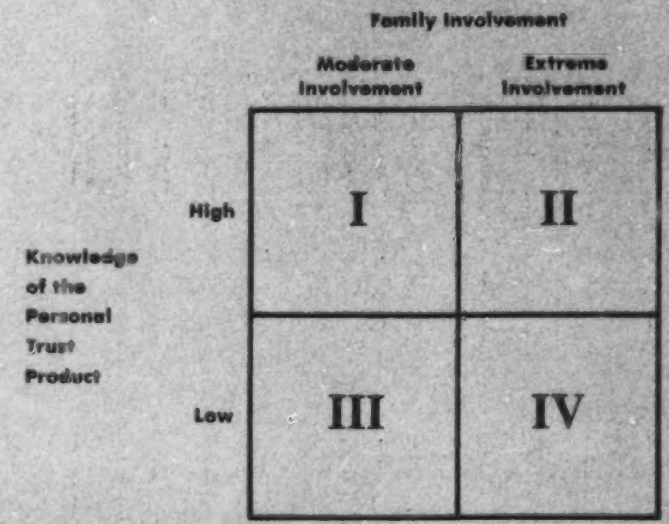
Although the transition phase of the affluent family business offers an ideal opportunity to market the personal trust product, it is still useful to identify other motivations for establishing trust accounts. These additional rationales can concurrently be employed in marketing the product.

The second most important reason for creating a trust is to mitigate taxes. However, it is important to note that this motive is significantly less powerful than financial protection for the family. The affluent family business owner sets up a trust as part of a comprehensive personal financial plan which includes an estate plan. A driving force among all affluent family businesses is to pay as little in taxes as legally possible. While evading taxes is illegal, avoiding taxes is not only legal but it tends to be seen as a moral responsibility.

The opportunity to market charitable trusts is evident when the concern centers on mitigating taxes. The affluent family business owners tend to be uninformed when it comes to charitable trusts. This is a lost opportunity for the vendor as charitable trusts due to the fact they can be established in perpetuity are literally potential gold mines.

A third reason to establish a trust is the desire to avoid probate. Once again,

EXHIBIT 2
The Personal Trust Opportunity Matrix



Source: CSSP Technologies/Laffery Publications

there is a statistically significant distinction between this motivation and the two already discussed. While settlement of an estate through a trust is usually less expensive than the probate process, that is not a significant concern. The attractiveness of probate is due to the issue of confidentiality. If all the trustor's assets are contained in a trust account, probate becomes moot because none of the assets passes under the terms of the Will. Thus, unlike a Will, the terms of the trust are confidential and not a matter of public record. In effect, estate settlements through a trust are appealing due to the issue of privacy. Only those individuals who are beneficiaries of the personal trust are involved in the estate settlement process. This motivation ties into the affluent family business owner's preference for confidentiality. They do not want the personal or business affairs to be public knowledge. Trust accounts help them to achieve this goal.

Many trust officers, in marketing the personal trust product, emphasize professional investment management services. Admittedly, a vendor's high quality investment capabilities are important with regard to the personal trust product. However, they are not the most important feature — and, they are not what sells the product. That is, the affluent family business owner can easily purchase such expertise from a vendor without the need to create a personal trust. Therefore, as a motivating factor for the creation of a personal trust, professional investment management is not very important. It does, however, become a factor in deciding with whom to create the personal trust.

Least Important Factor

The least important factor involved in the decision as to whether to create a personal trust or not is to alleviate concerns over potential incapacity. In case of a serious accident or illness, a trust account can be used to provide for the trustor. It could be set up to carry on the business for the benefit of the family, until such time as a family member or designate is capable of taking charge or until the business could be liquidated at a profit. Whereas the affluent family business owner has trouble believing he may one day die, the possibility of incapacity is denied even more.

The least important factor involved in the decision as to whether to create a personal trust or not is to alleviate concerns over potential incapacity.

A vendor can achieve the greatest amount of success marketing the personal trust product as part of a process to effectively manage the transition of the family business to the next generation. To a large degree, the trust product itself becomes unobtrusive when sold in this fashion. Thus, the problems associated with marketing the product are effortlessly sidestepped.

Conclusions

The profitability of the personal trust product, on the one hand, makes it one of the most desirable financial products to sell. When taking risk levels into account, the vendor achieves the greatest return on the personal trust product. On the other hand, its inherent profitibility has attracted numerous competitors.

Irrespective of this, the personal trust product tends to be one of the hardest to sell even though there is a panoply of individuals who could greatly benefit from using it. A large part of this predicament is the manner in which vendors market the product. They tend to neglect to carefully target specific market segments. At the same time, they tend to neglect to imaginatively present the personal trust product.

The most effective strategy for marketing the personal trust product is to focus on the family business connection. Providing financial protection for the family is identified as the most important reason for setting up a personal trust. To a large degree, this motivation centers on helping to ensure that the business is positioned to continue. The extent to which the vendor can explain how trust accounts can assist the affluent family business owner to ensure the continuity of the business and concurrently how they can also make certain the family is taken care of, the more likely he will create a personal trust.

By adroitly qualifying prospects by using the Personal Trust Opportunity Matrix, the vendor will be able to identify more responsive prospective affluent family business clients. Those families where the inheriting generation is extremely involved and are knowledgeable about the product will be easiest to sell to. It is also possible to "move" affluent family businesses to this quadrant through educational programs. The artful use of seminars, for example, can unobtrusively be used sell the personal trust product in this manner. □

Russ Alan Prince is a principal with CSSP Technologies, a market research and consulting firm specializing in marketing to the affluent. He is the author of *Marketing Financial Products to Small and Medium Enterprises: An Empirical Analysis* (Lafferty Publications, 1990).

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